GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:378
ANSWERED ON:14.12.2001
PRIVATE INSURANCE COMPANIES
SUBODH MOHITE

Will the Minister of FINANCE be pleased to state:

(a) whether private insurance companies have failed to file their annual investment policies and quarterly returns with the authority as required under the investment regulations;

(b) if so, the details thereof;

(c) the action proposed to be taken by IRDA against defaulting companies;

(d) whether the Government have reviewed the impact of World Trade Centre bombing on insurance sector in India; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):

(a) and (b) The Insurance Regulatory Development Authority (1RDA) has informed that allthe private insurance companies have filed their quarterly investment returns with it. Except for three companies who are waiting for the approval of their respective Boards, they have also filed their investment policies with the IRDA.

(c) IRDA has written to the three companies to expedite submission of their investment policies.

(d) and (e) IRDA has reviewed the impact of World Trade Centre bombing on the insurancesector in India. The impact is minimal and is confined only to re-insurance support for Aviation and large Petrochemical risks. The Indian market retains approximately 90% of the total risk underwritten in India and as such is insulated to some extent from the volatility in the global market. The Indian insurance companies continue to provide insurance cover to all its consumers for all risks including the risk of terrorism. However, the high value policies in the Aviation and Petrochemicals sectors, which need re-insurance support in the overseas markets, have become more expensive.